



Canton Office
175 Main Street • Canton, NC 28716

PSD/CC 95-12

January 3, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7008 3230 0002 2595 4653

Mr. Allen Gaither
Environmental Engineer
Division of Waste Management
North Carolina Department of Environment
and Natural Resources
2090 U.S. Highway 70
Swannanoa, North Carolina 28778

Fac/Perm/Co ID #	Date	Doc ID#
44-06	1/8/13	1806A

Subject: **Annual Update - Landfill Financial Assurance**
Canton Mill Landfill No. 6
Permit No. 44-06

Dear Mr. Gaither -

Attached is the annual update required by permit to the cost estimate for closure of Landfill Number 6, Permit Number 44-06. The update was prepared by our consultant, Sevee & Maher Engineers, following the format approved by the Division on January 3, 2012. The update is adjusted for the current inflation factor of 2.1% established by the Division for 2012. The updated financial assurance amount is \$5.684 million. The previously approved financial assurance amount was \$5.433 million.

Evergreen Packaging has established a financial assurance mechanism by letter of credit (LOC) with an effective date of August 3, 2011 in accordance with 15A NCAC 13B .1628(e). The amount of the current LOC is \$5.472 million and was renewed on August 3, 2012. Upon Division review and approval of the updated financial assurance amount enclosed with this letter, Evergreen Packaging will arrange to renew and update the LOC on the next anniversary date of August 3, 2013.

Renewal of the LOC for an increased amount requires several months advance notice by Evergreen Packaging. We request Division review and approval of the updated financial assurance amount of \$5.684 million no later than the end of 1st Quarter 2013.

Sincerely -

James Giauque
Waste Compliance & Landfill Supervisor
Canton / Waynesville
828-646-2028
jim.giauque@everpack.com

Chet Chiles
Manager, Environment Health & Safety WASTE SECTION
Canton / Waynesville ASHEVILLE REGIONAL OFFICE
828-646-2381
chet.chiles@everpack.com

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Enclosures: November 12, 2012 revised financial assurance estimate prepared by SME, 6 pages
cc: SME, Billy Clarke
File: January 2013 Landfill Financial Assurance Update Letter to DWM

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SME

Sevee & Maher Engineers, Inc.

ENVIRONMENTAL • CIVIL • GEOTECHNICAL • WATER • COMPLIANCE

November 12, 2012

12036

Evergreen Packaging
Attn: Jim Glauque
175 Main Street
P.O. Box 4000
Canton, NC 28716

Subject: 2012 Closure Cost Review
Landfill No. 6
Canton, North Carolina

Dear Jim:

As requested, Sevee & Maher Engineers, Inc. (SME) has reviewed the closure and post-closure cost analysis for the Landfill No. 6 in Canton, North Carolina. The review included the list of line items provided for the final cover system and post-closure tasks. The line items listed in the tables cover the regulatory requirements and landfill permit conditions currently in effect at the Landfill. The associated cost for each item was adjusted to be in line with current material costs and services. Adjustments were made to account for transportation fuel increases and material cost increases. The closure cost estimate increased \$4,000 from 2011. The post-closure cost estimate was adjusted according to the North Carolina Department of Environment and Natural Resources (NCDENR) Waste Management Division's Financial Assurance 2012 inflation factor. The post-closure costs increased by \$247,000 using an inflation factor of 2.1 percent as compared to 2011. There were no new items added to the closure or post-closure costs.

The revised total closure and post-closure cost is \$5.684 million.

If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

SEVEE & MAHER ENGINEERS, INC.


Guy H. Cote Jr., P.E.
President

Attachment

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ASHEVILLE REGIONAL OFFICE

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Cost Estimate Form for Closure of a Lined Landfill

Facility Name:
2012 CLOSURE ESTIMATE FOR LANDFILL NO. 6
Address of Facility:
CANTON, NORTH CAROLINA
Owner:
EVERGREEN PACKAGING - CANTON MILL
Phase: AREA 6D-SOUTH
15 Acres (15 acres with HDPE)
DENR Permit #: 44-06

Task		Unit	Unit Cost	Quantity	Total Cost
I Design of Final Closure Plans	Cat 1				
Engineering Cost	100	TS	\$75,000.00	1	\$75,000.00
Plans	110	TS			\$0.00
Modification/Closure Plan Review Fees	120	TS			\$0.00
II Mobilization, Demobilization & Insurance	Cat 2				
Total cost	200	TS	\$25,000.00	1	\$25,000.00
Other	210				\$0.00
III Erosion Control	Cat 3				
Silt Fence	300	LF	\$3.50	6000	\$21,000.00
Erosion Matting/ Blanket	310	EA	\$15,000.00	1	\$15,000.00
Hay Bale Sediment Barrier	320	LF			\$0.00
Hay Mulch Cover	330				\$0.00
Check Dams	340	EA			\$0.00
Other	350	TS	\$25,000.00	1	\$25,000.00
IV Waste Relocation	Cat 4				
Test Pits (to define limits of refuse and/or ground water to refuse contact)	400	DAY			\$0.00
Clearing & Grubbing	410	SY			\$0.00
Waste Regrading	420	CY	\$0.00	1	\$0.00
Other	430				\$0.00
V Capping	Cat 5				
A Cap (Material and Installation)					\$0.00
Geomembrane - 40 mil HDPE	510	SF	\$0.50	652500	\$326,250.00
Common Borrow Soil Layer - 18" thick	520	CY	\$5.50	36300	\$199,650.00
Common Borrow Soil Layer - 36" thick	530	CY			\$0.00
Anchor Trench	540				\$0.00
Geotextile 16 oz.	541	SF	\$0.30	652500	\$195,750.00
Geotextile 12 oz.	542	SF	\$0.20		\$0.00
Geocomposite	543	SF	\$0.45	652500	\$293,625.00
Other	550				\$0.00
B Gas Vents Devices	Cat 6				\$0.00
Gas Wells	600	VF	\$80.00	0	\$0.00
Gas Vents	610	LF	\$9.00	6000	\$54,000.00
C Layers	Cat 7				\$0.00
Drainage Layer - Washed Aggregate - 6" thick	700	CY	\$17.00	12100	\$205,700.00
Intermediate Cover Placement	710	CY	\$0.00	0	\$0.00
Sand - Protective Gas Venting Layer - 12" thick	720	CY	\$7.00	0	\$0.00
Topsoil/Loam or Manufactured Soil - 6" thick	730	CY	\$10.00	12100	\$121,000.00
Sand Bags for berms	740	ea	\$0.15		\$0.00
Other	750				\$0.00

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Task		Unit	Unit Cost	Quantity	Total Cost
VI Stabilization, Run-off Control	Cat 8				
Seed & Mulch (Include Lime, Fertilizer, Seed & Hay Mulch)	800	Unit	\$50.00	1300	\$65,000.00
Surface Water Diversion Swales	810	LF	\$0.00	0	\$0.00
Stone Rip-Rap	820	LF	\$20.00	0	\$0.00
Piping 6 inch	852	LF	\$9.00	7000	\$63,000.00
Piping Connections	853	EA	\$1,100.00	12	\$13,200.00
Stormdrain system	860	EA	\$0.00	1	\$0.00
VII Monitoring Devices	Cat 9				
Settlement Monuments/Plates	900	EA			\$0.00
Groundwater Monitoring Wells	910	EA			\$0.00
Gas Monitoring Probes	920	EA		0	\$0.00
Other	930				\$0.00
VIII Roadway	Cat 10				
Access Roadway	1000	LF			\$0.00
Drainage Ditches	1010				\$0.00
Culvert Inlet & Outlet Headwalls	1020				\$0.00
Guide Rail	1030	LF			\$0.00
Culverts	1040	LF	\$55.00	500	\$27,500.00
New/Replaced Pavement	1050	SY			\$0.00
Other	1060				\$0.00
IX Miscellaneous	Cat 11				
Signs	1100	LS			\$0.00
Perimeter Fence	1110	LF			\$0.00
Entry Gate - Double Unit	1120	EA			\$0.00
Miscellaneous Work and Cleanup	1130				\$0.00
Ledge Removal	1140	CY			\$0.00
Other	1150				\$0.00
X Surveying	Cat 12				
Baseline, Bench Marks, and Survey Control	1200	EA	\$5.00	1	\$5.00
Other	1210				\$0.00
XI Construction Phase Testing	Cat 13				
Compaction Testing	1300				\$0.00
QAQC	1310		\$30,000.00	1	\$30,000.00
Other	1320				\$0.00
XII Engineering	Cat 14				
Resident Engineer, Project Manager, Project Engineer	1400		\$125,000.00	1	\$125,000.00
Record Drawings	1410		\$8,000.00	1	\$8,000.00
Other	1420				\$0.00
XIII Other (list)	Cat 15				
	1500				\$0.00
	1510				\$0.00
XIV Contingency (minimum 10%)	Cat 16				
	1600	LS	10%	1888680	190,000
Total Closure Cost					\$2,078,680

Total Closure Cost Rounded \$2,079,000
 Post Closure Monitoring and Maintenance \$1,805,000
 Corrective Action \$2,000,000
 Total Financial Assurance \$5,884,000

Reviewed by Sevee & Maher Engineers, 11/12/2012

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Evergreen Packaging - Canton Mill
Landfill No. 6
Canton, North Carolina
Post-Closure Monitoring and Maintenance Costs

Inflation Rate
1. Landfill Maintenance Cost

2.10%

a. General site repairs and maintenance.

Required repairs will include erosion repairs of the cover system, siltation removal from the stormwater conveyance system, surface repairs to the roads, and culvert maintenance.

ESTIMATED COSTS		total cost	Adjusted for Inflation
years	cost/year		
1-10	\$2,500	\$25,000	(\$27,500)
11-30	\$1,500	\$30,000	(\$45,315)

Approximately 150 acres of the landfill facility will require mowing. Mowing will occur twice per year.

1-30	\$5,000	\$150,000	(\$206,048)
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b. Snow removal.

Road maintenance during the winter months will include plowing, sanding, and shoveling

1-30	\$2,500	\$75,000	(\$103,024)
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c. Gas control system.

Not Applicable

1-30	\$0	\$0	\$0
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SUBTOTAL LANDFILL MAINTENANCE

(\$381,886)

2. Landfill Inspections

a. Mill inspections

This item provides the cost for periodic inspections by Evergreen personnel. The first 3- years will require 2 visits per year. Years 4-30 will require 1 visit per year.

1-3	\$500	\$1,500	(\$1,532)
4-30	\$300	\$8,100	(\$11,444)

b. Independent engineering firm

Cost associated with this item include 2 site inspections per year for the first three years of post closure and 1 site inspection per year for the last twenty seven years.

1-3	\$1,000	\$3,000	(\$3,063)
4-30	\$500	\$13,500	(\$19,073)

c. Geotechnical Inspections

This item includes the cost associated with one site inspection per year for the 30-year post closure period. Cost include the review of data (piezometers, settlement, gauges, etc.), and a letter report documenting the condition of the landfill.

1-30	\$1,000	\$30,000	(\$41,210)
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SUBTOTAL INSPECTION COST

(\$76,322)

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ASHEVILLE REGIONAL OFFICE

Evergreen Packaging - Canton Mill
Landfill No. 6
Canton, North Carolina
Post-Closure Monitoring and Maintenance Costs

3. <u>Leachate Management</u>	year	cost/year	cost	Adjusted for Inflation
<u>a. Replacement Cost</u>				
These costs are assumed replacement costs for the leachate pond liner (20 yr life), leachate pumps (10 year life), and flow meter and controls (15 yr life).				
Pond liner (40,000 SF)			\$40,000	(\$60,614)
Pumps			\$25,000	(\$30,775)
<u>b. Preventative Maintenance</u>				
Assumes biennial preventative maintenance of the leachate force main, cleaning and inspection of the leachate pond liner and annual cleaning and inspection of the leachate collection system.				
	1-30	\$15,000	\$450,000	(\$618,144)
<u>c. Electric cost (pump station)</u>				
This item includes the electrical cost for two pump stations.				
	1-30	\$2,000	\$60,000	(\$82,419)
<u>d. General cost</u>				
This item includes costs associated with general repairs and maintenance to the pump station buildings, pumps, fitting, valves, meters and lights.				
	1-30	\$5,000	\$150,000	(\$206,048)
<u>e. Leachate Treatment</u>				
Cost associated with treating the leachate pumped to the WWTP. Leachate generation is based on geomembrane covers for 6D-South and soil covers on 6A-East, West, and B and C.				
	Years	Cost/gal	Leachate Generation Gal/Yr	Cost
	1-30	\$ 0.0004	9007500	\$108,090
				(\$148,478)
SUBTOTAL LEACHATE MANAGEMENT				(\$1,148,478)

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Evergreen Packaging - Canton Mill
Landfill No. 6
Canton, North Carolina
Post-Closure Monitoring and Maintenance Costs

**4 CORRECTIVE ACTION COST ITEMS INCLUDED
IN \$2,000,000 (new statutory minimum July 2011)**

	year	cost/year	cost	Adjusted for Inflation
A. Compliance Monitoring				
a. Sampling and Analysis				
Cost associated with water quality monitoring, testing, and reporting include field sampling, laboratory analysis, quarterly and annual reporting, equipment cost, mileage, hotel, and meal cost and miscellaneous materials cost. The water sampling will be at a rate of twice a year for the first five years and once a year the following twenty five years	1-5	\$50,000	\$250,000	(\$260,723)
	6-30	\$25,000	\$625,000	(\$860,910)
b. Landfill Gas Monitoring				
Cost associated with methane gas testing, and reporting include field sampling, and semi annual reporting, equipment cost, mileage, hotel, and meal cost and miscellaneous materials cost. The gas monitoring will be at a rate of twice per year for the first ten years and once a year the following twenty years	1-10	\$6,000	\$60,000	(\$65,999)
	10-30	\$3,000	\$60,000	(\$90,629)
c. Maintenance and Repair				
This item provides the cost to replace two monitoring wells and a gas probe over the 30-year post-closure period. The cost includes drilling, installation, development, and documentation.	15	\$15,000	\$15,000	(\$20,487)
B. Assessment Monitoring				
a. Corrective Action Work Plan				
Cost associated with preparation of Work Plan to assess and characterize the nature and extent of groundwater plume triggered by the Compliance Monitoring Program.	year 30	unit cost \$50,000	cost \$50,000	Adjusted for Inflation (\$93,270)
b. Monitoring Wells				
Cost associated with installing additional monitoring wells to characterize the nature and extent of groundwater plume (assumed 6 wells).	30	\$7,000	\$42,000	(\$78,347)
c. Sampling and Analysis				
Cost associated with water quality monitoring and testing. These sample rounds would be conducted in conjunction with the Work Plan from 4.B.a. A total of three rounds are contemplated.	30	\$25,000	\$75,000	(\$139,905)
d. Evaluation				
Preparation of corrective action report with findings.	30	\$75,000	\$75,000	(\$139,905)
e. Corrective Action Implementation				
	30	\$350,000	\$350,000	(\$652,890)
f. Maintenance and Repair				
This item provides the cost to replace one monitoring well installed as part of the Assessment Monitoring. The cost includes drilling, installation, development, and documentation.	30	\$7,000	\$7,000	(\$13,058)

SUBTOTAL CORRECTIVE ACTION (\$2,416,123)
CORRECTIVE ACTION USED IN FINANCIAL ASSURANCE (\$2,000,000)

GRAND TOTAL FOR 30 YEARS (\$3,604,686)
ROUNDED (\$3,605,000)

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Reviewed by Sevee & Maher Engineers, 11/09/2012

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11/12/2012

CREDIT SUISSE

Trade Finance/Services Department

IRREVOCABLE STANDBY LETTER OF CREDIT

Beneficiary:

North Carolina Department of Environment, Health and Natural Resources
Solid Waste Management Division
Solid Waste Section
P.O. Box 27687
Raleigh, North Carolina 27611-7687

Dear Sir or Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. TS-07006137 in your favor, at the request and for the account of Reynolds Group Holdings Inc. on behalf of Blue Ridge Paper Products Inc. d/b/a Evergreen Packaging, 41 Main Street, Canton, North Carolina 28716 up to the aggregate amount of Five Millions Four Hundred Seventy Two Thousand and 00/100 U.S. dollars (\$5,472,000.00), available upon presentation of:

- (1) Your sight draft, bearing reference to this letter of credit No. TS-07006137, and
- (2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to requirements of 15A NCAC 13B .1628 amended."

This letter of credit is effective as of August 3, 2011 and shall expire on August 1, 2012, but such expiration date shall be automatically extended for a period of one (1) year on August 1, 2012 and on each successive expiration date, unless, at least 120 days before the current expiration date, we notify both you and Reynolds Group Holdings Inc. on behalf of Blue Ridge Paper products Inc. d/b/a Evergreen Packaging by certified mail that we have decided not to extend this letter of credit beyond the current expiration date. In the event you are so notified, any unused portion of the credit shall be available upon presentation of your sight draft for 120 days after the date of receipt by both you and Reynolds Group Holdings Inc. on behalf of Blue Ridge Paper products Inc. d/b/a Evergreen Packaging, as shown on the signed return receipts.

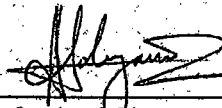
Whenever this letter of credit is drawn on, under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall deposit the amount of the draft directly into the standby trust fund of Reynolds Group Holdings Inc. on behalf of Blue Ridge Paper Products Inc. d/b/a Evergreen Packaging in accordance with your instructions.

We certify that the wording of this letter of credit is identical to the wording specified in Paragraph (e)(2)(D) of 15A NCAC 13B .1628 as were constituted on the date shown immediately below.

Credit Suisse AG



Authorized Signature



Authorized Signature

This credit is subject to the Uniform customs and practice for Documentary Credits, published by the International Chamber of Commerce.

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Effective January 1, 2012, the INFLATION FACTOR is 2.1%

DEFLATOR/MULTIPLIER = 1.021

(For local government fiscal year July 1, 2011-June 30, 2012)

Effective January 1, 2011, the INFLATION FACTOR was 1.0%

DEFLATOR/MULTIPLIER = 1.01

(For local government fiscal year July 1, 2010-June 30, 2011)

* For local government fiscal year July 1, 2009-June 30, 2010 the INFLATION FACTOR was 1.2% (DEFLATOR/MULTIPLIER = 1.012)

N.C. Department of Environment and Natural Resources
1601 Mail Service Center, Raleigh, NC 27699-1601
Headquarters (Environment and Natural Resources Building): 217 W. Jones St.
Archdale Building: 512 N. Salisbury St.
Toll Free: (877) 623-6748



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